

Message Text

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PAGE 01 STATE 089315
ORIGIN DLOS-09

INFO OCT-01 IO-13 ISO-00 SS-15 L-03 H-01 OIC-02 SP-02
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APPROVED BY D/LOS: A BERLIND
-----027931 070240Z /61
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FM SECSTATE WASHDC
TO USMISSION GENEVA PRIORITY

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STADIS/////////////////
FOR USDEL LOS

E.O. 11652: N/A

TAGS: PLOS

SUBJECT: STATUS OF S. 2053

1. NEW COMMITTEE PRINT OF S.2053 APPEARED ON APRIL 3, AND
WILL BE TAKEN UP BY SUBCOMMITTEE ON PUBLIC LANDS AND
RESOURCES (SENATOR BUMPERS) ON APRIL 11. COPY OF COMMITTEE
PRINT BEING HAND-CARRIED TO GENEVA APRIL 8 BY GREGORY GAY
(OIC) FOR BLUMBERG.

2. WHILE NEW VERSION CONTAINS ORIGINAL INVESTMENT
GUARANTY PROVISIONS, THESE ARE ACCOMPANIED BY ALTERNATIVE
PROVISIONS CIRCULATED BY SENATOR BUMPERS, BUT NOT HAVING
THE AGREEMENT OF MINORITY STAFF. ALTERNATIVE PROVISIONS
RELATE THE RISK OF FINANCIAL LOSS TO ACTIONS TAKEN BY AN
INTERNATIONAL SEABED AUTHORITY RATHER THAN TO USG ACTION
IN ACCEDING TO AN INTERNATIONAL AGREEMENT. COMMITTEE STAFF
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IS INFORMING SENATOR BUMPERS THAT THIS CHANGE WOULD REMOVE
ONE MAJOR OBJECTION TO THE INCLUSION OF INVESTMENT
GUARANTIES IN LEGISLATION. ALTERNATIVE PROVISIONS ALSO
CALL FOR A "THREE-TIER" APPROACH WHEREBY PRIVATE INSURANCE
POSSIBILITIES AND OPIC FACILITIES ARE TAPPED BEFORE FEDERAL
LIABILITY IS BROUGHT INTO PLAY.

3. THERE IS NO REVENUE SHARING PROVISION BEYOND THE

REQUIREMENT THAT QUOTE IMMEDIATELY UPON THE ENACTMENT OF THIS ACT, THE SECRETARY, IN CONSULTATION WITH OTHER INTERESTED DEPARTMENTS AND AGENCIES, SHALL INITIATE A STUDY ON THE ADVISABILITY AND DESIRABILITY OF A COMMITMENT BY THE US TO MAKE CONTRIBUTIONS TO A SPECIAL FUND, THE PROCEEDS OF WHICH WOULD BE USED FOR THE PAYMENT OF US CONTRIBUTION TO AN INTERNATIONAL REGIME, ESTABLISHED UNDER AN INTERNATIONAL AGREEMENT FOR SHARING SUCH CONTRIBUTIONS WITH THE INTERNATIONAL COMMUNITY PURSUANT TO SUCH AGREEMENT. END QUOTE. LIKEWISE, THERE IS NO PROVISION BARRING ISSUANCE OF PERMITS UNTIL SUBSEQUENT PASSAGE OF LEGISLATION ESTABLISHING A REVENUE SHARING FUND.

4. ONE STATED PURPOSE OF THE ACT IS TO "PROVIDE DOMESTIC TAX TREATMENT FOR US CITIZENS CONDUCTING EXPLORATION OR COMMERCIAL RECOVERY ACTIVITIES AUTHORIZED BY THE US OR RECIPROCATING STATES." SEVERAL OTHER REMAINING DIFFICULTIES WILL BE OBVIOUS FROM READING OF COMMITTEE PRINT. VANCE

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Draft Date: 07 apr 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
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Disposition Approved on Date:
Disposition Case Number: n/a
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